GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Cooperation Department – Exemption from payment of EMD to District Cooperative Marketing Societies – Orders--issued.

Agri. & COOP (Coop.I) DEPARTMENT

G.O.MS.No. 11 Dated: 01-02-2016

Read the following:

From the Spl.CC& RCS AP Hyd Lr.Rc.No.13996/2013/MK1 dt24-07-2015 and 31-10-2015

ORDER:

In the references read above, the Spl. CC & RCS AP Hyderabad has stated that the Dist. Cooperative Officer, Vizianagaram has submitted the proposals for exemption from payment of EMD to the DCMS, Vizianagaram to participate in tenders called for from various Government Departments / Institutions in the state and also to give priority to the DCMS if the price quoted by the DCMSs is within 10% of the L.1 price and also stated that it would help the society for improvement of business and these measures would help to arrest the possible leakage of Government Revenues like VAT and Income Tax from the private traders.

2. Further, the DCMS are undertaking various diversified business activities by capturing the orders to cope up with the private dealers in tenders called for by the various Government Departments. The purchase committee authorities are insisting the societies for payment of EMD while participating in tenders called for by them for supply of stocks. Due to lack of sufficient funds the society is not in a position to deposit lakhs of rupees as EMD and thereby disqualified to participate in the tenders.

3. Further, the RCS has stated that the DCMSs are supplying food products to ICDS and miscellaneous items to Municipal Corporation and other organisations by paying EMD to respective institutions. The societies are not having financial status to pay the huge amounts towards EMD and also this capital amount will restrict to do the other business for lacking of working capital. If the EMD is exempted for DCMSs the institutions will do all business activities and stand first in the marketing field. Some of the DCOs have reported that the societies are not in a position to take up other business from other Government agencies like DRDA, SC Corporation etc. as the EMD deposits made by the societies are pending with agencies years together without paying any interest.

4. Mainly the DCMSs are Federal Societies with main objects such as (1) to arrange for the marketing and sale of agricultural and other produce belonging to its affiliated societies and their members to the best advantage with the india-union and outside(2) to rent or own godowns or sales depots within its jurisdiction and elsewhere if necessary, to facilitate the storage and scale of agricultural and other produce belonging to it and to its affiliated societies and their members, (3) to act as an agent for distribution to its members agricultural requisites such as fertilisers, pesticides, seeds, iron and steel agricultural implements etc., which they need as producers and cultivators etc.

5. Most of the DCMSs in A.P. run the business on consignment basis with traders due to lack of financial sources. Hence, the traders are showing least interest to transact business operations with DCMSs as they have no relaxation in payment of EMD and in view of the above, most traders are patronizing the central institutions like NCCF and Kendriya Bhandar as they have exempted from payment of EMD.

6. Under these circumstances, the Spl. Commissioner for Cooperation and Registrar of Coop. Societies AP Hyderabad has requested the Government to issue orders for exemption from payment of EMD to the DCMSs. so as to make the DCMSs a profit making organisations but also serving for the welfare of the share holders, farmers and other poor and down trodden in the society under Cooperative principles.

7. After detailed examination, Government hereby order to exempt the DCMSs in the state from payment of EMD for filing tenders so as to make the DCMSs a profit making organisations but also serving for the welfare of the share holders, farmers and other poor and down trodden in the society under Cooperative principles.

8. The Spl. Commissioner for Cooperation and Registrar of Coop. Societies AP Hyderabad shall take further necessary action.

9. This order issues with the approval of Secretary (R&E) Finance Dept.,

vide e-office Note dated:15-12-2015.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

T. VIJAY KUMAR,
SPL. CHIEF SECRETARY TO GOVERNMENT (AM&C)

To
The Spl. Commissioner for Cooperation and Registrar of Coop. Societies AP Hyderabad
All the DCMS in the State, through Spl.CC & RCS AP Hyderabad.
Copy to:
The P.S. to M (EFS&T and Coop.)
TheP.S. to Spl.CS.
SC/SF

//FORWARDED :: BY ORDER//

SECTION OFFICER